NCA
VOC FOR IOP/FN
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PORTUGUESE ECONOMIC PROBLEMS

ANNCR:

PORTUGUESE DIPLOMATS ARE TRAVELING TO OTHER COUNTRIES IN SEARCH OF ECONOMIC AID FOR PORTUGAL. MARTHA DE LA CAL SENDS THIS BACKGROUND REPORT FROM LISBON.

VOICE:

PORTUGAL'S LEADERS HAVE BEEN TOURING THE WORLD IN THE PAST FEW WEEKS IN AN EFFORT TO OBTAIN FOREIGN LOANS AND AID TO BOLSTER THE COUNTRY'S BADLY FALTERING ECONOMY. FOREIGN MINISTER MELO ANTUNES LEFT LISBON TUESDAY MORNING FOR IRAN, ACCOMPANIED BY EXPERTS ON FINANCE AND ECONOMY. IT IS EXPECTED THAT HE WILL DISCUSS THE PURCHASE OF CRUDE OIL.

ANOTHER PORTUGUESE DELEGATION VISITED PARIS, BONN AND BRUSSELS LAST WEEK, WHERE THEY WERE ASSURED FINANCING FOR TWO GIANT PETRO-CHEMICAL PROJECTS. THE PROJECTS HAD BEEN HELD UP SINCE THE BEGINNING OF THE REVOLUTION BECAUSE THE UNCERTAIN POLITICAL SITUATION FRIGHTENED AWAY POSSIBLE INVESTORS. SINCE THE BEGINNING OF THE YEAR, HOWEVER, AFTER MORE MODERATE FORCES TOOK CHARGE OF THE GOVERNMENT, SOME DEGREE OF CONFIDENCE HAS BEEN RESTORED.

ALSO ON TOUR ON BEHALF OF PORTUGAL'S ECONOMY WAS THE MINISTER OF EXTERNAL TRADE AND TOURISM. HE HAS VISITED WEST GERMANY AND SWEDEN TO TRY TO LURE BACK THE TOURISTS WHO WERE ALSO FRIGHTENED AWAY BY PORTUGAL'S POLITICAL TURMOIL. TOURIST MONEY IS NEEDED TO HELP BALANCE THE

TRADE DEFICITS, WHICH LAST YEAR REACHED MORE THAN TWO THOUSAND MILLION DOLLARS. THE GOVERNMENT IS ALSO CAMPAIGNING HARD AMONG THE COUNTRY'S TWO MILLION EMMIGRANTS FOR THEM TO SEND THEIR MONEY BACK TO PORTUGAL. AFTER THE NATIONALIZATION OF THE COUNTRY'S BANKS LAST YEAR AND THE ILLEGAL OCCUPATION OF PROPERTY, EMMIGRANT REMITTANCES, WHICH HAD AMOUNTED TO MORE THAN ONE THOUSAND MILLION DOLLARS EACH YEAR, FELL BY NEARLY THIRTY PERCENT. PORTUGUESE LEADERS DO NOT FAIL TO CONTACT THE EMMIGRANTS IN THEIR SWINGS AROUND EUROPE AND AMERICA.

THE VISITS OF FOREIGN MINISTER MELO ANTUNES AND OTHER LEADERS TO EUROPEAN CAPITALS HAVE ALREADY YIELDED A TWO HUNDRED FIFTY MILLION DOLLAR LOAN FROM WEST GERMANY AND A TWENTY MILLION DOLLAR LOAN FROM NORWAY. PORTUGAL ALSO IS RECEIVING ECONOMIC BACKING FROM THE COMMON MARKET AND THE INTERNATIONAL MONETARY FUND, AND THERE HAVE BEEN TALKS WITH THE UNITED STATES ABOUT A POSSIBLE LOAN OF TWO HUNDRED MILLION DOLLARS.

SPEAKING IN LISBON RECENTLY, SOCIALIST MINISTER OF FINANCE SALGADO ZENHA SAID THAT PORTUGAL'S FINANCIAL SITUATION HAS BEEN GREATLY IMPROVED BY THE LOANS. HE SAID THAT THE COUNTRY'S FOREIGN CURRENCY RESERVES HAD BEEN NEARLY EXHAUSTED. BUT THE LEFTIST FORCES IN PORTUGAL HAVE CONDEMNED THE GOVERNMENT'S DETERMINATION TO SEEK FOREIGN LOANS, CLAIMING THAT THE LOANS ENDANGER THE COUNTRY'S NATIONAL INDEPENDENCE. THE POLICY IS STRONGLY SUPPORTED, HOWEVER, BY THE SOCIALISTS

AND THE POPULAR DEMOCRATS. BOTH MARIO SOARES OF THE SOCIALISTS AND DOCTOR SA CARNEIRO OF THE POPULAR DEMOCRATS HAVE STRESSED THAT PORTUGAL'S POLITICAL FUTURE DEPENDS IN GREAT PART ON ITS ABILITY TO SOLVE ITS ECONOMIC PROBLEMS.

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